



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

December 18, 2013

Via E-mail

Paul R. Risinger
Chief Executive Officer
VHGI Holdings, Inc.
103 North Court Street
Sullivan, IN 47882

**Re: VHGI Holdings, Inc.
Form 10-K for the Fiscal Year Ended December 31, 2012
Filed June 26, 2013
File No. 000-17520**

Dear Mr. Risinger:

We issued comments to you on the above captioned filings on November 1, 2013. As of the date of this letter, these comments remain outstanding and unresolved. We expect you to provide a complete, substantive response to these comments by January 3, 2014.

If you do not respond, we will, consistent with our obligations under the federal securities laws, decide how we will seek to resolve material outstanding comments and complete our review of your filings and your disclosure. Among other things, we may decide to release publicly, through the agency's EDGAR system, all correspondence, including this letter, relating to the review of your filing, consistent with the staff's decision to release publicly comment letters and response letters relating to disclosure filings it has reviewed. You can find more information about the staff's decision to release filing correspondence at <http://www.sec.gov/divisions/corpfin/cfannouncements/edgarcorrespondence.htm>, <http://www.sec.gov/news/press/2004-89.htm> and <http://www.sec.gov/news/press/2005-72.htm>.

Please contact David Edgar, Staff Accountant, at 202-551-3459 if you have any questions.

Sincerely,

/s/ Craig D. Wilson

Craig D. Wilson
Sr. Asst. Chief Accountant